

Unaudited Financial Statements of

COMMONWEALTH BREWERY LIMITED

Nine months ended September 30, 2024

COMMONWEALTH BREWERY LIMITED

Management comments on Interim Financial Statements (Unaudited)

Nine months ended September 30, 2024

Financial Update

Through the third quarter of 2024, Commonwealth Brewery Ltd. (CBL) experienced a revenue decline of 4.8% compared to the same period last year, thus resulting in a year-to-date revenue impact of -2.9% compared to 2023. This quarter decline was primarily driven by an observed demand slowdown in the hotel tourism sector versus last year, which would be characterized as a return to previous pre-covid levels from a peak experienced in 2023.

To address this contraction, CBL has taken steps to support its consumers and customers through competitive pricing and implemented a cost savings agenda including an increased focus on product management and our commercial and fixed cost base. This strategy resulted in operating expense improvements of 3.5% for the quarter and 2.0% year-to-date.

CBL continues to generate positive cash flow from operations, totalling \$13 million during the first nine months of the year.

Overall, our financial performance for the nine months ended September 30, 2024, reflects our ability to adapt to market conditions and maintain profitability through effective cost management and strategic product focus.

COMMONWEALTH BREWERY LIMITED

Statement of Financial Position (Unaudited)

September 30, 2024, with corresponding figures for December 31, 2023
(Expressed in Bahamian dollars)

	September 2024	December 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,908,347	7,636,646
Trade receivables, net	5,617,877	6,165,371
Prepaid expenses and other assets	152,757	4,084,135
Inventories	34,783,021	30,149,599
Total current assets	45,462,002	48,035,751
Non-current assets:		
Right of use asset	6,412,299	6,560,940
Property, plant and equipment	45,757,609	47,103,591
Goodwill	4,487,242	4,487,242
Other intangible assets	1,047,885	1,410,087
Total non-current assets	57,705,035	59,561,860
Total assets	\$ 103,167,037	107,597,611
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 11,539,325	17,772,895
Short-term Lease Liability	2,463,816	2,128,748
Total current liabilities	14,003,141	19,901,643
Non-current liabilities:		
Long-term Lease liability	4,651,953	4,882,101
Total liabilities	18,655,094	24,783,744
Equity:		
Share capital	150,000	150,000
Share premium	12,377,952	12,377,952
Contributed surplus	16,351,369	16,351,369
Revaluation surplus	16,083,580	16,083,580
Retained earnings	39,549,042	37,850,966
Total equity	84,511,943	82,813,867
Total liabilities and equity	\$ 103,167,037	107,597,611

COMMONWEALTH BREWERY LIMITED

Interim Statement of Profit or Loss (Unaudited)

For the three months ended September 30, 2024, with corresponding figures for the three months ended September 30, 2023

(Expressed in Bahamian dollars)

	September 2024	September 2023
Income:		
Revenue	\$ 32,456,693	34,195,778
Excise	(1,606,154)	(1,793,151)
Net revenue	30,850,539	32,402,627
Operating expenses:		
Raw materials, consumables and services	22,203,556	23,710,214
Personnel costs	5,119,633	4,769,718
Depreciation	1,616,317	1,525,147
Amortisation	120,733	119,188
Total operating expenses	29,060,239	30,124,267
Other income/(expenses)	120,554	228,940
Results from operating activities	1,910,854	2,507,300
Finance expenses	304,146	222,072
Total net profit	\$ 1,606,708	2,285,228
Basic and diluted earning per share	\$ 0.05	0.08

COMMONWEALTH BREWERY LIMITED

Interim Statement of Profit or Loss (Unaudited)

For the nine months ended September 30, 2024, with corresponding figures for the nine months ended September 30, 2023

(Expressed in Bahamian dollars)

	September 2024	September 2023
Income:		
Revenue	\$ 99,195,609	102,072,751
Excise	(5,317,979)	(5,427,409)
Net revenue	93,877,630	96,645,342
Operating expenses:		
Raw materials, consumables and services	66,100,528	67,819,016
Personnel costs	14,519,401	14,528,376
Depreciation	4,661,571	4,717,230
Amortisation	362,200	358,889
Total operating expenses	85,643,700	87,423,511
Other income	203,849	334,672
Results from operating activities	8,437,779	9,556,503
Finance expenses	739,703	797,507
Total net profit	\$ 7,698,076	8,758,996
Basic and diluted earning per share	\$ 0.26	0.29

COMMONWEALTH BREWERY LIMITED

Interim Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2024

(Expressed in Bahamian dollars)

	Share Capital	Share premium	Contributed Surplus	Revaluation surplus	Retained earnings	Total equity
Balance as at 31 December 2023	150,000	12,377,952	16,351,369	16,083,580	37,850,966	82,813,867
Net Profit	-	-	-	-	7,698,076	7,698,076
Transacitons with owners recorded directly to equity						
Dividends declared \$0.20 per share	-	-	-	-	(6,000,000)	(6,000,000)
Balance at September 30, 2024	150,000	12,377,952	16,351,369	16,083,580	39,549,042	84,511,943

COMMONWEALTH BREWERY LIMITED

Statement of Cash Flows (Unaudited)

For the nine months ended September 30, 2024, with corresponding figures for the nine months ended September 30, 2023

(Expressed in Bahamian dollars)

	September 2024	September 2023
Cash flows from operating activities		
Net income	\$ 7,698,076	8,758,996
Adjustments for:		
Depreciation	4,661,571	4,717,230
Amortisation	362,200	358,889
Impairment loss recognized on cash and cash equivalents and trade receivables	(78,100)	872,992
Finance expense	368,313	287,840
Net cash from operations before changes in working capital	13,012,060	14,995,947
Changes in non-cash working capital	(5,905,186)	(6,568,817)
Net cash from operating activities	7,106,874	8,427,130
Cash flows from financing activities		
Payment of Dividends	(6,000,000)	(6,000,000)
Interest paid	(368,313)	(287,840)
Net cash used (from)/in financing activities	(6,368,313)	(6,287,840)
Cash flow from investing activities		
Additions to property, plant and equipment (excl. ROU asset)	(1,337,774)	(1,253,283)
Repayment of lease liability	(2,129,086)	(1,567,477)
Net cash used in investing activities	(3,466,860)	(2,820,760)
Net increase/(decrease) in cash and cash equivalents	(2,728,299)	(681,470)
Cash and cash equivalents, beginning of period	7,636,646	10,783,179
Cash and cash equivalents, end of period	\$ 4,908,347	10,101,709

1. Accounting Policies

These interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by IFRS for consolidated financial statements. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company’s financial position and results of operations as at the end of and for the periods presented. All significant intercompany accounts and transactions have been eliminated from these unaudited consolidated financial statements.